

RECORDATION NO 16491-C FILED 1991

JUL 16 1991 10 30 AM

July 9, 1991

INTERSTATE COMMERCE COMMISSION

Certified Mail P 134 757 709
Return Receipt Requested

1-197A008

JUL 16 10 30 AM '91



Interstate Commerce Commission
12th and Constitution Avenue N.W.
Washington, D.C. 20423

Attention: Mildred Lee
Room 2303

Re: Third Amended and Supplemental Security Agreement

Gentlemen:

Attached for recordation please find an original and a notarized copy of a Third Amended and Supplemental Security Agreement ("Third Amendment"). The Third Amendment supplements that certain Security Agreement dated April 15, 1989 as amended by Amended and Supplemental Security Agreement dated as of April 24, 1990 and Second Amended and Supplemental Security Agreement dated August 1, 1990, between Excursion Trains, Inc. as Debtor, and Mitchell Energy & Development Corp., as Secured Party, filed under Recordation Number 16491, 16491-A and 16491-B, respectively, in the Recordation Office of the Interstate Commerce Commission. The Third Amendment is between the following parties:

Debtor:

Excursion Trains, Inc.
3131 West Alabama, Suite 529
Houston, Texas 77098

Secured Party:

Mitchell Energy & Development Corp.
2201 Timberloch Place
The Woodlands, Texas 77380

July 9, 1991

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Pursuant to the terms of the Third Amendment, the debt secured by the original Security Agreement recorded under Recordation Number 16491, as amended, has been increased to \$2,414,704.00 and the Termination Date (as defined in the original Security Agreement) has been extended to December 31, 1991.

Additionally, enclosed is our corporate check for \$15.00 to cover the costs of recording the Third Amendment.

Should you have any questions or comments concerning the foregoing, or require additional information or documentation, please feel free to contact me at (713) 377-6561.

Very truly yours,

A handwritten signature in cursive script that reads "Deborah W. Leiber".

Deborah W. Leiber
Counsel

DWL/ns
AICCLTR
Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

7/16/91

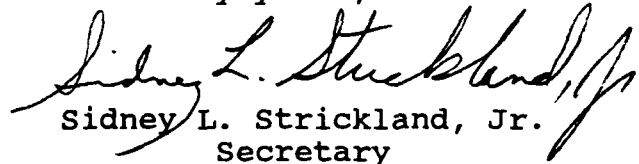
OFFICE OF THE SECRETARY

Deborah W. Lieber-Counsel
Mitchell Energy & Developement Corp.
2002 Timberloch Place
P. O. Box 5000
The Woodlands, Texas 77380

Dear Sirs:

The enclosed dcoument(s) was recorded pursuant to the provisions of Section 11303 of the Insterstate Commerce Act, 49 U.S.C. 11303, on 7/16/91 at 10:30AM , and assigned recordation number(s). 16491-C

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

THIRD AMENDED AND
SUPPLEMENTAL SECURITY AGREEMENT

16491C
RECORDATION NO. 16491C FILED 16491C
JUL 16 1991 -10 30 AM
INTERSTATE COMMERCE COMMISSION

This Third Amended and Supplemental Security Agreement ("Third Supplement") is made and entered into effective May 31, 1991, by and between MITCHELL ENERGY & DEVELOPMENT CORP. ("MEDC") and EXCURSION TRAINS, INC. ("ETI").

R E C I T A L S

1. MEDC and ETI have heretofore entered into that certain Credit Agreement dated April 15, 1989 ("Original Agreement"), wherein MEDC agreed to make revolving credit loans to ETI, up to a maximum aggregate principal amount of \$550,000.00, from time to time until June 15, 1990, so that ETI may have sufficient funding for the purchase, leasing, restoration and renovation of passenger railroad cars and locomotives and the institution and operation of passenger rail service from Houston, Texas, to Galveston, Texas.

2. MEDC, as Secured Party, and ETI, as Debtor, have heretofore entered into that certain Security Agreement dated as of April 15, 1989, filed under Recordation Number 16491 in the Office of the Interstate Commerce Commission, as amended from time to time ("Security Agreement"), wherein ETI has granted unto MEDC certain liens, rights and security interests, as therein set forth (which security interests include, without limitation, liens upon certain railroad equipment owned by ETI), to secure all payments due on the Indebtedness (as defined in the Security Agreement).

3. MEDC and ETI have heretofore entered into that certain Amended and Supplemental Security Agreement dated April 24, 1990 ("First Supplement"), filed under Recordation Number 16491-A in the

Office of the Interstate Commerce Commission, wherein, among the other items contained therein, MEDC and ETI agreed to increase the indebtedness secured by the Security Agreement to Six Hundred Ninety Thousand and No/100 Dollars (\$690,000.00).

4. MEDC and ETI have heretofore entered into that certain Second Amended and Supplemental Security Agreement dated August 1, 1990 ("Second Supplement"), filed under Recordation Number 16491-B in the Office of the Interstate Commerce Commission, wherein, among other items contained therein, MEDC and ETI agreed to increase the indebtedness secured by the Security Agreement to One Million, One Hundred Thousand and No/100 Dollars (\$1,100,000.00)

5. MEDC and ETI have entered into that certain Third Amendment to Credit Agreement, of even date herewith ("Third Amendment"), wherein the Original Agreement was further amended, among other items contained therein, to provide that the Termination Date (as defined in the Original Agreement, as amended) be extended to December 31, 1991, and the Commitment (as defined in the Original Agreement, as amended) be increased to the amount of Two Million, Four Hundred Fourteen Thousand Seven Hundred Four and No/100 Dollars (\$2,414,704.00).

6. MEDC and ETI have agreed that the Security Agreement be further amended and supplemented by this Third Supplement to provide for the inclusion of the increased Commitment, as evidenced by the Note, as a portion of the Indebtedness.

NOW, THEREFORE, in consideration of the premises, the mutual covenants herein contained, MEDC's agreement to amend the Original

Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, MEDC and ETI hereby covenant and agree as follows:

1. Terms Defined Above. As used in this Third Supplement, the terms First Supplement, Second Supplement, Third Supplement, MEDC, ETI, Security Agreement, Original Agreement, Second Amendment and Third Amendment shall have the meanings indicated in the opening Recitals hereof, and all capitalized terms not herein defined shall have the same meanings as assigned to them on the Security Agreement.
2. Other Definitions. The Security Agreement is amended and supplemented, in part, by the deletion, in its entirety, of the definition of "Note", and the substitution therefor of the following:

"Note" means the revolving credit promissory note in the form attached as Exhibit "A" to the Credit Agreement, as may be amended from time to time, which is evidence of the Two Million, Four Hundred Fourteen Thousand Seven Hundred Four and No/100 Dollars (\$2,414,704.00) line of credit loan to Debtor by Secured Party."
3. Ratification. MEDC and ETI hereby confirm and ratify as amended and supplemented hereby, all of the terms, conditions and covenants contained and set forth in the Security Agreement.
4. Further Assurance. ETI covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such amendments or

supplements hereto and such further acts, instruments and transfers as MEDC may require for the curing of any defect in the execution or acknowledgment hereof or in the description of the Collateral or for the better conveying, assigning, pledging and confirming unto MEDC of the Collateral conveyed, assigned and pledged hereunder, or for the proper evidencing of the transaction hereunder contemplated.

ETI covenants that, it will cause this Supplement to be filed, registered and recorded and to be refiled, reregistered and rerecorded in such manner and in such places as may be required by MEDC in order to publish notice of and to fully protect the lien created by this Supplement upon, and to perfect or continue the perfection of the security interests created by this Supplement on the Collateral; and it shall perform or cause to be performed from time to time any other act as required by law or MEDC, and it shall execute or cause to be executed any and all instruments of further assurance that may be necessary for such publication, perfection, continuation and protection.

5. Texas Law. This Supplement shall be interpreted and construed in accordance with, and governed by, the laws of the State of Texas.
6. Effect. Except as specifically amended hereby, all terms, provisions and conditions of the Security

Agreement shall remain unchanged and are and shall remain in full force and effect for the full terms thereof, as amended and supplemented hereby, and this Supplement shall be interpreted and construed with the Security Agreement as one and the same instrument. The provisions set forth in this Supplement and any effect thereof shall be deemed effective as of the date hereof and for all times thereafter until otherwise amended or supplemented by the parties hereto.

7. Multiple Counterparts. This Supplement may be executed in multiple counterparts, each of which shall have the full force and effect of an original, but constituting only one instrument.

EXECUTED effective the 31st day of May, 1991.

MITCHELL ENERGY & DEVELOPMENT CORP.

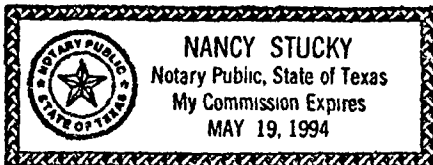
By: Philip S. Smith
Name: Philip S. Smith
Title: Senior Vice President -
Administration and Chief
Financial Officer
EXCURSION TRAINS, INC.

By: Franklin M. Denson
Name: Franklin M. Denson
President

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on June 24, 1991, by Philip S. Smith, Senior Vice President of Mitchell Energy & Development Corp., a Texas corporation, on behalf of said corporation.

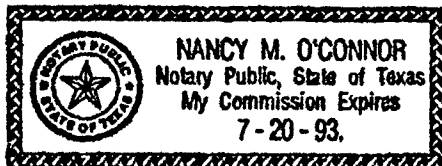


Nancy Stucky
Notary Public, State of Texas
Printed Name: Nancy Stucky
My Commission Expires: 5-19-94

STATE OF TEXAS §

COUNTY OF Harris §

This instrument was acknowledged before me on June 24, 1991, by Franklin M. Denson, President of Excursion Trains, Inc., a Texas corporation, on behalf of said corporation.

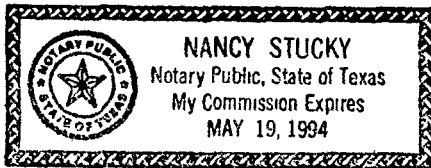


Nancy M. O'Connor
Notary Public, State of Texas
Printed Name: Nancy M. O'Connor
My Commission Expires: July 20, 1993

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, the undersigned Notary Public, do hereby certify that the foregoing is a true and exact copy of the Third Amended and Supplemental Security Agreement, dated effective May 31, 1991, by Excursion Trains, Inc., the Debtor, and Mitchell Energy & Development Corp., the Secured Party.

IN WITNESS WHEREOF, I hereto subscribed my name and seal.



Nancy Stucky
Notary Public, State of Texas
Printed Name: Nancy Stucky
My Commission Expires: 5-19-94

DWL/ns/CETRA3-2.SUP/06-11-91